## **BUDGET RESOLUTION/Budget Committee & Social Security**

SUBJECT: Senate Concurrent Budget Resolution for fiscal years 1999-2003 . . . S.Con. Res. 86. Hollings motion to waive the Budget Act for the consideration of the Hollings amendment No. 2193.

## **ACTION: MOTION REJECTED, 42-58**

SYNOPSIS: As reported, S.Con. Res. 86, the Senate Concurrent Budget Resolution for fiscal years 1999-2003, will balance the unified budget in 1998 and will run surpluses for each of the next 5 fiscal years. Both Federal spending and Federal revenues will increase 3.5 percent from fiscal year (FY) 1998 to FY 1999. All surpluses will be reserved for Social Security reform. A reserve fund will be established to allow the entire Federal share of revenues resulting from a potential tobacco settlement to be dedicated to bolstering Medicare's solvency.

The Hollings amendment would create a point of order against considering any legislation, including legislation reported by the Budget Committee of either House, that would change budget procedures regarding Social Security. The point of order could be waived by a three-fifths majority (60) vote in the Senate. Debate in the Senate on an appeal of the ruling of the Chair on a point of order would be limited to 1 hour, and would require a three-fifths majority (60) vote to succeed.

Debate on a first-degree amendment to a budget resolution is limited to 2 hours. After debate, Senator Domenici raised a point of order that the amendment violated section 305(b)(2) of the Budget Act. Senator Hollings then moved to waive the Budget Act for the consideration of the amendment. Generally, those favoring the motion to waive favored the amendment; those opposing the motion to waive opposed the amendment.

NOTE: A three-fifths majority

YEAS (42)			NAYS (58)			NOT VOTING (0)	
Republicans (1 or 2%)	Democrats (41 or 91%)		Republicans (54 or 98%)		Democrats (4 or 9%)	Republicans (0)	Democrats (0)
Faircloth	Akaka Biden Boxer Breaux Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Glenn Graham Harkin Hollings Inouye	Johnson Kennedy Kerry Kohl Landrieu Lautenberg Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Torricelli Wellstone Wyden	Abraham Allard Ashcroft Bennett Bond Brownback Burns Campbell Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Enzi Frist Gorton Gramm Grams Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Stevens Thomas Thompson Thurmond Warner	Baucus Bingaman Kerrey Leahy	EXPLANAT 1—Official F 2—Necessari 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent nced Yea nced Nay Yea

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because it counts the Social Security surpluses. Under the unified budget, debt that the Federal Government owes to Federal Government programs is ignored. If the Federal Government borrows \$1 billion from the public, that is counted in deficit calculations, but if it is borrowed from Social Security, it is ignored. We think that it is dishonest to ignore debt that the Federal Government owes to itself. Interest on that debt must be paid just like any other interest, and that debt must be repaid just like any other debt. With Social Security, it is especially dishonest because the money is not really the Federal Governments--it is held by the Federal Government as a fiduciary trust for American citizens. The Federal Government is currently \$631 billion in debt to Social Security, and, after 5 years of unified budget "surpluses," it is going to be \$1.2 trillion in debt to it. We are very frustrated that Senators will not face up to this reality. We managed to have a law passed in 1990 to say that Social Security must be offbudget, and every budget resolution since, including the one before us, has dutifully reported total deficit numbers without counting Social Security revenues, but Members of both parties have just ignored those numbers. They have blithely continued talking about unified numbers. This year, they are claiming a unified surplus of \$7.8 billion, but page 5 of the budget resolution, in conformance with the law that Social Security must be kept off budget, reports that the deficit will be \$108.2 billion. Even this number does not tell the whole story, because the Federal Government will incur other debts to itself, such as for Federal retirement, that it will not count as debts. To get a true picture of the amount of deficit spending, one need only look at the total increase in debt for 1999, because that number includes all public and private debt. One then finds that 1999 will have a deficit of \$186.3 billion. If all the additional debt of the next 5 years is totalled, one finds that in this era of "balanced" budgets the national debt will climb a total of \$905 billion. The Hollings amendment would help put an end to this type of budget gimmickry by closing a loophole in current law that is intended to stop Social Security surpluses from being spent. Under current law, it takes a three-fifths majority vote to make any change that would reduce Social Security surpluses. However, that requirement does not apply if the change is to legislation proposed by the Budget Committee. Then, a simple majority vote can raid Social Security. That change should not be allowed to remain. The Hollings amendment would end it. We urge our colleagues to support the motion to waive the Budget Act for this amendment.

## **Those opposing** the motion to waive contended:

Our colleagues' argument, with all due respect, does not make any sense. They have said that we need to enact a 60-vote point of order to stop the Budget Committee from proposing legislation that will reduce the Social Security trust fund balances, and they have given as proof of this need the fact that the Budget Committee, along with each year's budget resolution, reports what the unified budget deficit or surplus will be for each of the next 5 years. Enactment of the Hollings amendment, though, would not have any effect whatsoever on reporting on unified budget figures. There simply is not any connection. Whether one uses unified budget calculations or not does not have any effect on Social Security surpluses.

Not only does their argument not make any sense, their amendment does not make any sense either. The only thing the Hollings amendment would accomplish would be to restrict the Budget Committee's jurisdiction for considering Social Security legislation. Considering that the reason that Social Security trust fund has protections now is that the Budget Committee took the initiative to get those protections passed, it seems a rather odd way to proceed. The logic of our colleagues seems to be the Budget Committee is responsible for the protections that Social Security now has, so therefore restrictions should be placed on the Budget Committee because it cannot be trusted to protect Social Security.

The impression we are left with is that this amendment has been offered just to give some Senators a platform for expressing their distaste for unified budget reporting. We do not share that distaste. By law, Social Security receipts and outlays are not considered in deficit calculations and are not reported in budget resolutions. However, the more common way to consider whether there is a deficit in any given year is to compare receipts with expenditures. If more money is collected than is spent, than a unified budget surplus is reported. Trust fund accounts are not included in those calculations because they hold money that the Federal Government owes itself. For decades, the deficit figures that have always been discussed are the unified figures, which report the total amount of money the Government collects minus the amount that it spends. Certainly we share our colleagues' concern with Social Security's actuarial problems, and, as demonstrated by our votes on the Roth amendment (see vote No. 56), we are prepared to address those problems.

Social Security is not going to be saved by placing restrictions on the Budget Committee, nor is it going to be saved by record-keeping changes in Washington. The only way that Social Security will be saved is by making real reforms. The Hollings amendment would not help the Social Security program in any way whatsoever. It is a meaningless amendment and should be rejected.